DIKGATLONG MUNICIPALITY

Kantoor van die
Munisipale Bestuur
Office of the Municipal Manager

Alle Korrespondensie moet aan die
Munisipale Bestuurder gerig word.
All Communication to be addressed to the Municipal Manager

Privaatsak X5
Private Bag
Campbellstraat / *Street*
Barkly-Wes
Barkly West
8375

Tel: 053 531 0671
Faks / *Fax*: 053 531 0624
E-mail: dikgatlong@lantic.net

30 September 2005

Office of the Auditor General
Private Bag X5013
KIMBERLEY
8300

Sir/Madam

Re: Annual Financial Statements: 2004/05 Financial Year

The council at an Ordinary Council meeting held on 29 September 2005 by resolution no. 2005/09/07 approved the Annual Financial Statements for 2004/05 financial year.

Attached is a copy of the statements which was couriered to the National Treasury on 30 September 2005.

Yours faithfully

J EILERD
MUNICIPAL MANAGER

Received 30/9/05

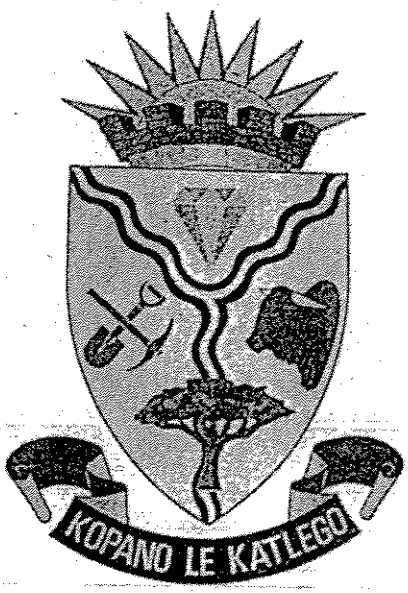
THE MUNICIPALITY OF

DIKGATLONG

FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON

30TH JUNE 2005



DIKGATLONG MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2005

CONTENTS

		Page
1	GENERAL INFORMATION	1
2	FOREWARD: MAYOR'S REPORT	2
3	CHIEF FINANCIAL OFFICER'S REPORT	3 - 5
4	ACCOUNTING POLICIES	6 - 8
5	BALANCE SHEET	9
6	INCOME STATEMENT	10
7	CASH FLOW STATEMENT	11
8	NOTES TO THE FINANCIAL STATEMENTS	12 - 17
9	APPENDICES	
	A STATUTORY FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS	18
	B EXTERNAL LOANS AND INTERNAL ADVANCES	19
	C ANALYSIS OF FIXED ASSETS	20
	D ANALYSIS OF OPERATING INCOME AND EXPENDITURE	21
	E DETAILED INCOME STATEMENT	22
10	STATISICAL INFORMATION	23 - 25

DIKGATLONG MUNICIPALITY
GENERAL INFORMATION

MEMBERS OF THE COUNCIL:

E.K Matolweni	Mayor
P Deacon	Councilor
S.J. Deetlefs	Councilor
P.N. Jammer	Councilor
K.J. Keetsameng	Councilor
J.I Reyners	Councilor
J.F Loots	Councilor
N.Y. Masenge	Councilor
N.A. Monabe	Councilor
V. Olifant	Councilor
K.K. Visagie	Councilor

GRADING OF LOCAL AUTHORITY:

Grade 2 Category B

AUDITOR:

The Auditor-General: Northern Cape

BANKERS:

First National Bank Ltd - Barkly West Branch

REGISTERED OFFICE:

Dikgatlong Municipality
Cambell Street
Barkly West
8375

MUNICIPAL MANAGER

CHIEF FINANCIAL OFFICER

DIKGATLONG MUNICIPALITY

Kantoor van die
Munisipale Bestuur
Office of the Municipal Manager

Alle Korrespondensie moet aan die
Munisipale Bestuurder gerig word.
All Communication to be addressed to the Municipal Manager

Privaatsak X5
Private Bag
Campbellstraat / *Street*
Barkly-Wes
Barkly West
8375

Tel: 053 531 0671
Faks / *Fax*: 053 531 0624
E-mail: dikgatlong@lantic.net

29 September 2005

FOREWORD BY THE MAYOR

ANNUAL FINANCIAL STATEMENTS 2004/05

As follow-up to the previous year's financial statements, it is a privilege to reflect on the improvements brought about by the filling of key posts within the Finance Department.

We have managed to put in place proper financial monitoring mechanisms and established a credit control/customer care centre, as a way of modernizing our financial management.

The Frances Baard District Municipality is assisting us, with the internal audit function.

As we present these financial statements, we are cognisant of the fact that there are serious improvements.

On behalf of council, we are convinced that our management system is improving from strength to strength. We hand over governance of this council to our successors with a deep conviction that a developmental mandate is within reach.

Yours truly

.....
EPANG MATOLWENI
MAYOR

DIKGATLONG MUNICIPALITY
CHIEF FINANCIAL OFFICER'S REPORT

1. OPERATING RESULTS

Details of the operating result per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2005 are as follows:

INCOME	Actual 2005 R	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Opening surplus		2,411,114			
Operating income for the year	28,537,125	25,085,879	13.76%	25,309,793	12.75%
Closing deficit	7,730,778	8,834,855	-12.50%		
	36,267,903	36,331,848		25,309,793	
EXPENDITURE					
Opening deficit	8,834,856	12,259,504	-27.93%		
Operating expenditure for the year	28,627,428	24,092,344	18.82%	25,303,236	13.14%
Sundry transfers	(1,194,381)	-			
Closing surplus					
	36,267,903	36,351,848		25,303,236	

1.1 Rate and General Services

	Actual 2005 R	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Income	19,232,675	17,401,688	10.52%	17,453,117	10.20%
Expenditure	18,705,235	17,549,927	-6.58%	14,502,832	-28.98%
Surplus/(deficit)	527,440	(148,239)	455.80%	2,950,285	
Surplus/(deficit) as % of total income	2.74%	-0.85%		16.90%	

DIKGATLONG MUNICIPALITY
CHIEF FINANCIAL OFFICER'S REPORT

1.2 Housing Services

	Actual 2005 2004	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Income	206,344	93,828	120	90,000	129.27
Expenditure	192,243	4,987	(3,754.88)	193,683	0.74
Surplus/(deficit)	14,101	88,841	(84.13)	(103,683)	
Surplus/(deficit) as % of total income	6.83%	94.68%		-115.20%	

1.3 Trading Services

The following is a summary of the operating results of the Municipality's Trading Services.

Electricity Services

	Actual 2005 R	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Income	4,564,761	3,281,139	39.12%	3,386,676	34.79%
Expenditure	5,332,830	2,959,519	80.19%	5,270,645	-1.18%
Surplus/(deficit)	(768,069)	321,620	-338.81%	(1,883,969)	
Surplus/(deficit) as % of total income	-16.83%	9.80%		-55.63%	

Water Services

	Actual 2005 R	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Income	4,533,346	4,309,224	5.20%	4,380,000	3.50%
Expenditure	4,397,120	3,577,911	-22.90%	5,336,076	
Surplus/(deficit)	136,225	731,313	-81.37%	(956,076)	-114.25%
Surplus/(deficit) as % of total income	3.00%	16.97%		-21.83%	

DIKGATLONG MUNICIPALITY
CHIEF FINANCIAL OFFICER'S REPORT

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure consists of the following:

	2004/05 ACTUAL	2004/05 BUDGET	2003/04 ACTUAL
	R	R	R
Land and Buildings			3,348
Public Works			320,084
Health services			58,705
Graveyards and Cemeteries	2,201		-
Library services			9,832
Sports & recreation	19,355		851,195
Other Fixed Assets	3,428,674		-
Sanitation and Sewerage	8,415,157		1,567,521
Housing Service	2,076,064		-
Electricity Service	3,520,977		265,973
Water Service	1,545,410		385,124
Administration			28,613
	19,007,838	-	3,490,395

3. Resources used to finance the fixed assets were as follows:

	2004/05 ACTUAL	2004/05 BUDGET	2003/04 ACTUAL
	R	R	R
Contribution from operating income	550,223	914,500	334,939
Grants and subsidies	18,457,615	718,000	3,155,456
	19,007,838	1,632,500	3,490,395

4. EXTERNAL LOANS, INVESTMENT AND CASH

Investments and cash on 30 June 2005 amounted to R 597 185 (R559,380 in 2004)

More information regarding investments are disclosed in note 6 to the financial statements.

5. FUNDS, RESERVES AND PROVISIONS

The movement regarding statutory funds, reserves and trust funds are given in appendix A. No contributions was made to any fund, reserve or provision during this financial year.

4. APPRECIATION

I would like to thank the Mayor, Councilors, the Municipal Manager and Departmental Heads for the support they have given me and my personnel during the year.

A special word of thanks to the personnel of the Treasury Department for their support in preparing the financial accounts of our municipality.

J.J. MAREE
CHIEF FINANCIAL OFFICER

DIKGATLONG MUNICIPALITY
ACCOUNTING POLICIES

1. Basis of presentation

1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended).

1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets are more fully detailed in Accounting Policy, note 3.

1.3 The financial statements are prepared on the accrual basis:
- Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as traffic fines and certain licenses.
- Expenditure is accrued in the year it is incurred.

2. Consolidation

The balance sheet includes Rate and General Services, Housing Service, Trading Services and the different funds, reserves and provisions. All inter-departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, electricity and water, which are treated as income and expenditure in the respective departments.

3. Fixed assets

3.1 Fixed assets are stated:
- at historical cost; or
- at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation,while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Chief Financial Officer.

3.2 Depreciation:
The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:
- Appropriations from operating income, where the full cost of the assets forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed assets are credited to the Capital Development fund

3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances.

DIKGATLONG MUNICIPALITY
ACCOUNTING POLICIES

4. Inventory

Inventory (stores and materials) is valued at the lower of cost, determined on the weighted average basis, and net realisable value.

2004

5. Funds and reserves

5.1 *Revolving Fund*

Ordinance 20 of 1974, section 75(1), as amended determines that a local authority must make a minimum contribution of 7,5% in terms of the rates income of the previous financial year towards the revolving fund.

6. Provisions

Investments are shown at original value and are invested per approved list of financial institutions issued by the Provincial Administration, Community Development Branch.

Investments were made according to the stipulations of the Second Amendment on the Local Government Transition Act, Act 97 of 1996.

6.1 *Personnel Leave Fund*

7. Retirement benefits

The Municipality and its employees contribute to various funds, which provide retirement benefits to such employees.

The retirement benefit plan is subject to the Pension Fund Act, with pensions being calculated on the final pensionable remuneration paid.

8. Surpluses and deficits

Any surplus or deficits arising from the electricity and water services are transferred to Rate and General Services to alleviate the tax burden of rate payers.

9. Investments

Investments are shown at original value and are invested per approved list of financial institutions issued by the Provincial Administration, Community Development Branch.

Investments were made according to the stipulations of the Second Amendment on the Local Government Transition Act, Act 97 of 1996.

DIKGATLONG MUNICIPALITY
ACCOUNTING POLICIES

10. Income recognition

10.1 *Electricity and water billings*
All meters are read and billed monthly. Where meters cannot be read during a particular montl 2004
they are indeed read.

10.2 *Assessment rates*
The Municipality applies a differential rating system. In terms of this system assessment rates are levied on land and building value of property. Certain rebates are granted according to the use to which a particular property is put.

10.3 Traffic Fines and Licenses
Income is accrued as and when received.

11. Consolidated Loan Fund
The capital resources of the Consolidated Loans Fund consist of both external and internal loans. Advances are made to borrowings departments at an interest rate equal to the average effective rate of interest or another interest as determined by the Department of Local Government and Housing and is repaid over the useful life of the assets acquired.

12. Provision for Bad Debts

12.1 It is the policy of this Council that as long as a debtor had not absconded, the debt is assumed to be recoverable. The mere fact that a debtor does not pay for municipal services , for what ever reason, does not mean a bad debt exist and all debts are assumed to be recoverable.

12.2 The Chief Financial Officer has formally laid down procedures that are followed in an attempt to recover debts and it is only when a debt is proven to be unrecoverable that it is written off and consequently forms a charge against the operating account.

&&&&&&&&&

DIKGATLONG MUNICIPALITY
BALANCE SHEET AT 30 JUNE 2005

	Notes	2005 R	2004 R
CAPITAL EMPLOYED			
2004			
Statutory funds		8 867 003	8 730 185
Reserves	1	8 215 368	8 078 551
	2	651,635	651 634
RETAINED SURPLUS/ (ACCUMULATED DEFICIT)	18	(7 730 778)	(8 834 855)
		1 136 225	(104 670)
TRUST FUNDS AND PROVISIONS			
LONG-TERM LIABILITIES	3	4 604 447	4 571 901
CONSUMER DEPOSITS: SERVICES	4	237 151	198 165
		5 977 823	4 665 396
EMPLOYMENT OF CAPITAL			
FIXED ASSETS			
INVESTMENTS	5	559 277	559 278
	6	4 183	4 182
		563 460	563 460
NET CURRENT ASSETS / LIABILITIES		5 414 363	4 101 936
CURRENT ASSETS		30 272 342	25 007 951
Stock (inventory)			
Debtors	7		
Cash in bank and on hand	8	29 451 458	24 374 663
Short term investment		227 882	78 090
Short-term portion of long-term debtors	6	593 003	555 198
CURRENT LIABILITIES		(24 857 979)	(20 906 015)
Bank overdraft			
Provisions		1 742 563	1 931 662
Creditors	9	703 189	716 461
Loans: short-term portion of long-term liabilities	10	22 412 227	18 257 892
		5 977 823	4 665 396

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

2003/04 Actual Income 2004	2003/04 Actual expenditure R	2003/04 Surplus/ (deficit) R		2004/05 Actual Income	2004/05 Actual Expenditure	2004/05 Surplus/ (deficit)	2004/05 Budget Surplus (deficit)
17 401 688	17 549 927	(148 239)	RATE AND GENERAL SERVICES	19 232 675	18 705 235	527 440	2 950 285
14 127 996	15 706 860	(1578 864)	Community services	15 542 510	15 173 831	368 679	3 306 881
10 631	240 688	(230 057)	Subsidised services	11 542	276 425	(264 883)	(392 073)
3 263 091	1 602 389	1 660 702	Economic services	3 678 624	3 254 979	423 645	35 477
93 828	4 987	88 841	HOUSING SERVICES	206 344	192 243	14 101	(103 683)
7 590 363	6 537 430	1 052 933	TRADING SERVICES	9 098 106	9 729 950	(631 844)	(2 840 045)
25 085 879	24 092 344	993 535	TOTAL	28 537 125	28 627 428	(90 302)	6 557
		2 431 114	Appropriations for the year (Refer to note 15)			1,194,380.7	
		3 424 649	**Net surplus / (deficit) for the year**			**1 104 078**	
		(12 259 504)	Accumulated surplus / (Accumulated deficit) beginning of the year			(8 834 856)	
		(8 834 855)	ACCUMULATED SURPLUS (ACCUMULATED DEFICIT) AT END OF THE YEAR			(7 730 778)	

(Refer to appendix D and E for more detail)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

		Notes	2005 R	2004 R
CASH RETAINED FROM OPERATING ACTIVITIES			19 345 547	3 530 615
	2004			
Investment income		16	20 229 303	7 455 296
(Increase) / decrease in working capital		14	38 704	41 095
		17	(922 459)	(3 965 776)
Less: External interest paid			19 345 547	3 530 615
Cash available from operations			19 345 547	3 530 615
Cash contributions from the public and State				
CASH UTILISED IN INVESTING ACTIVITIES				
Investment in fixed Assets			(19 007 838)	(3 490 395)
Increase / (decrease) in Consumer deposits			38 987	1 990
(Increase) / decrease in LT Debtors				
NET CASH FLOW			376 696	42 210
CASH EFFECTS OF FINANCIAL ACTIVITIES				
Increase / (decrease) in long-term loans		18		
(Increase) / decrease in cash investments		19	(37 805)	(8 979)
Other				
(Increase)/decrease in Cash		20	(338 891)	(33 231)
NET CASH (GENERATED) / UTILISED			(376 696)	(42 210)

DIKGATLONG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005

		2005 R	2004 R
1	**STATUTORY FUNDS**		
	Revolving Fund	7 632 986	7 496 169
	Dog Tax Fund	72 783	72 783
	Community Development Fund	509 599	509 599
		8 215 368	8 078 551
	(Refer to appendix A for more detail)		
2	**RESERVES**		
	Civil Defence Fund	7 177	7 177
	Reserve Fund Vehicle	8 378	8 378
	Maintenance Community Centre	4 168	4 168
	Maintenance Fund	166 389	166 389
	Community Facilities	4 908	4 908
	Loss of Rental	291 035	291 035
	Renewal Fund: Tractor	37 307	37 307
	Renewal Fund Water Works	37 307	37 307
	Stabilization Fund	6 987	6 987
	Building Maintenance Fund	6 476	6 476
	Town Development	34 651	34 651
	Housing Development	26 852	26 852
		651 635	651 635
	(Refer to appendix A for more detail)		
3	**TRUST FUNDS**		
	Dorpontwikeling	3,201,531	3,201,531
	Stransfomasie skenking	175,000	175,000
	Social Plan Fund Grant	50,000	50,000
	Grant Land Dev	-	-
	Work Creation Dev	7,686	7,686
	Grant - High Mass Lighting	2,422	2,422
	Grant - Water Provision	1,177	1,177
	Grant - Transfer Leasehold	28,814	28,814
	Grant - Squatters	18,998	18,998
	Grant - Planning	34,120	34,120
	Grant - Resettlement	44,936	44,936
	Grant - Rooikoppis	7,414	7,414
	Town Establishment - 100 Sites	110,972	110,972
	Community Profile	10,265	10,265
	Grant - Transfer Leasehold	4,626	4,626
	Informal Town Establishment	7,845	7,845
	Provincial Funds	46,889	46,889
	Toilets RCC	5,776	5,776
	Todlers	29,207	29,207
	Caravan Park	680,220	680,220
	Masakane	-	-
	Grant Main Waterline	8,715	8,715
	Grant Main Stormwater	6,512	6,978
	Grant Main Enviro	25,004	25,004
	Water & Sanitation	93	320
	Library	136,724	57,987
	Mataleng Sports Complex	-	-
	Grant - storm water drainage	5,000	5,000
	EPWP - Frances Baards	(35,500)	-
	Eradication of Buckets	(10,000)	-
		4 604 447	4 571 902

DIKGATLONG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued

	2005 R	2004 R
4. CONSUMERS DEPOSITS - SERVICES		
Electricity	223,833	186,292
Saalhuur en toerusting	12,844	11,465
Water	474	408
	237,151	**198,165**

5. FIXED ASSETS

Fixed assets at the beginning of the year	72,973,305	69,482,911
Capital expenditure during the year	19,007,838	3,490,394
Account adjustments due to computer error	-	-
Less: Assets written off, transferred or disposed during the year	-	-
Total fixed assets	-	-
	91,981,143	72,973,305
Less: Loans redeemed and other capital receipts	(91,421,865)	(72,414,027)
Net fixed assets	**559,278**	**559,278**

(Refer to appendix C and section 2 of the Treasurer's report for more detail on the fixed assets)

6. INVESTMENTS

Shares	2,158	2,158
Long Term deposits	2,025	2,024
LT Investments	4,183	4,182
Short term deposits	593,003	555,198
	597,185	**559,380**

Management's valuation of unlisted investment

Circular no. 26 of 1991 issued by the Provincial Legislature requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against investment at a plenary rate to meet commitments.

No investments have been written off during the year
None of the loans are secured by any investment of the Council

7. INVENTORY

Stock	-	-
	-	-

Stores represent consumable stores, raw material, uncomplete work and finished products. Where necessary provision was made for redundant stores.

DIKGATLONG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued

		2005 R	2004 R
8	**DEBTORS**		
	Current debtors (consumers & others)	32,575,032	39,137,860
	Other Debtors	241,998	277,843
		32,817,030	39,415,703
BD	*Less:* Provision for bad debts	3,365,573	15,041,040
		29,451,458	**24,374,663**
	No amount were written off as bad debt during this year.		
9	**PROVISIONS**		
	Leave Provision	703,189	716,461
		703,189	**716,461**
10	**CREDITORS**		
	Trade Creditors	21,651,869	17,680,293
	Deposits	11,688	11,688
	SARS - PAYE	748,670	565,439
	Prosano Medical Aid	-	472
		22,412,227	**18,257,892**
11	**ASSESSMENT RATES**	-	
	Valuations: Land	14,436,000	14,370,091
	Valuations: Improvements	127,194,155	123,679,664
	Total valuations	**141,630,155**	**138,049,755**
	Tariffs: Land	201,060	185,701
	Tariffs: Improvements	1,847,710	1,662,510
	Total income	**2,048,770**	**1,848,211**
	Less: Discount on state properties	-	
	Value: Land	-	
	Value: Improvement	-	
	Net Income	**2,048,770**	**1,848,211**
12	**COUNCILORS REMUNERATION**		
	Mayor	118,771	98,548
	Councilors	321,912	297,429
		440,683	395,977
	(Refer to appendix A for more detail)		

DIKGATLONG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued

		2005 R	2004 R
13.	AUDITORS REMUNERATION		
		184 280	185 100
		184 280	**185 100**
14.	FINANCIAL TRANSACTIONS		
	Total external interest earned or paid		
	Interest earned	38 704	41,095
	Interest paid	196 148	247,756
		234,852	**288,851**
	Capital charges debited to operating account		
	Interest Paid :External	196 148	247,756
	:Internal		114,907
	Redemption :External		-
	:Internal		225 749
	Deferred cost written off		
		196 148	**588 412**
15.	APPROPRIATIONS		
	Appropriation account		
	Accumulated surplus / deficit at the beginning of the year	(8 834 855)	(12 259 505)
	Accumulated surplus / (deficit) for the year	(90 302)	993 535
	Appropriations for the year	1 194 381	2 431 115
	Prior year adjustments	1 194 381	2 431 115
	Accumulated surplus / (deficit) at the end of the year	(7 730 776)	(8 834 855)

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued

		2005 R	2004 R
16.	**CASH GENERATED BY OPERATIONS**		
	Surplus / (deficit) for the year	(90 302)	993 535
	Adjustments in respect of the previous year's operating transactions		
	Adjustments made to fixed assets(see annex C)		
	Prior year adjustments *(See note 15 for more detail)*	1 194 381	2 431 114
	Appropriations debited to income	550 223	512 206
	-Contribution to funds		180 611
	-Contribution to Fixed Assets	550 223	331 595
	Capital charges		340 656
	Interest paid :		
	- to internal funds		114,907
	- to external loans		-
	Redemption :		
	- From internal funds		225 749
	- From external loans		
	Fixed assets written off		
	Grants and subsidies received from State	18 457 615	3 155 456
	Non-operating income	282 759	173 563
	Non-operating expenditure		422 565
	Investment income	(38 704)	(41 095)
	Charged against provisions and reserve	(126 669)	(575 778)
	Correction on annexure A		383 732
	Correction on annexure B		193 471
	Other non operating income	-	(534,129)
		20 229 303	7 455 296
17.	**(INCREASE) / DECREASE IN WORKING CAPITAL**		
	(Increase) / decrease in stock		
	(Increase) / decrease in debtors	(5 076 795)	(14 134 738)
	Increase / (decrease) in creditors	4 154 335	10 168 962
		(922 459)	(3 965 776)
18.	**INCREASE / (DECREASE) IN LONG-TERM LOANS (EXTERNAL)**		
	Loans raised	-	-
	Arrear interest capitalised & other debits & credits		
	Loans repaid		

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued

		2005 R	2004 R
19.	**(INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENT**		
	Investments realised		
	Investments made	(37 805)	(8 979)
		(37 805)	(8 979)
20.	**INCREASE / (DECREASE) IN LONG-TERM LOAN (EXTERNAL)**		
	Cash balance at the beginning of the year	(1 853 572)	(1,886,804)
	Cash balance at the end of the year	(1,514,681)	(1 853 572)
		(338,891)	**(33,231)**

DIKGATLONG MUNICIPALITY
APPENDIX A

ACCUMULATED FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS
FOR THE YEAR ENDED 30 JUNE 2005

	Balance at 2004/06/30 R	Contributions during the year R	Interest on Investments R	Other Income R	Expenditure during the year R	Balance at 2005/06/30 R
ACCUMULATED FUNDS						
Revolving Fund	7 496 169	136 817				7 632 986
Dog Tax Fund	72 783					72 783
Leave Fund						
Community Development Fund	509 599					509 599
	8 078 551	136 817				8 215 368
RESERVES						
Civil Defence Fund	7 177					7 177
Reserve Fund Vehicle	8 378					8 378
Maintenance Community Centr	4 168					4 168
Maintenance Fund	186 389					186 389
Community Facilities	4 908					4 908
Loss of Rental	291 035					291 035
Renewal Fund: Tractor	37 307					37 307
Renewal Fund Water Works	37 307					37 307
Stabilization Fund	6 987					6 987
Building Maintenance Fund	6 476					6 476
Town Development	34 651					34 651
Housing Development	26 852					26 852
	651 635					651 635
TRUST FUNDS						
Dorpontwikeling	3,201,531					3 201 531
Strantsformasie skenking	175,000					175 000
Social Plan Fund Grant	50,000					50 000
Grant Land Dev	-					
Work Creation Dev	7,686					7 686
Grant - High Mass Lighting	2,422					2 422
Grant - Water Provision	1,177					1 177
Grant - Transfer Leasehold	28,814					28 814
Grant - Squatters	18,998					18 998
Grant - Planning	34,120					34 120
Grant - Resettlement	44,936					44 936
Grant - Rooikoppis	7,414					7 414
Town Establishment - 100 Site	110,972					110 972
Community Profile	10,265					10 265
Grant - Transfer Leasehold	4,626					4 626
Informal Town Establishment	7,845					7 845
Provincial Funds	46,889					46 889
Toilets RCC	5,776					5 776
Todlers	29,207					29 207
Caravan Park	680,220					680 220
Masakane	-					
Grant Main Waterline	8,715					8 715
Grant Main Stormwater	6,978		14		480	6 512
Grant Main Enviro	25,004					25 004
Water & Sanitation	320	12 093			12 320	93
Library	57,987	147 000	107		68 369	136 724
Matsaleng Sports Complex	-					
Grant - storm water drainage	5,000				35 500	5 000
EPWP - Frances Baards	-				10 000	(35 500)
Eradication of Buckets	-					(10 000)
	4 571 902	159 093	121		126 669	4 604 447

DIKGATLONG MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

FOR THE YEAR ENDED 30 JUNE 2005

Loan no.	Detail/Aim	Approved	Redeemable	Balance at 30/06/04 R	Received during the year R	Redeemed or written off during the year R	Interest charged during the year R	Balance at 30/06/05 R
						#		

INTERNAL ADVANCES
TO BORROWING SERVICE

	Balance at 30/06/04 R	Received during the year R	Redeemed or Written of during the year R	Interest charged during the year	Balance at 30/06/05 R
Internal Advances	559 278				559 278
	559 278				559 278

DIKGATLONG MUNICIPALITY
APPENDIX C
ANALYSIS OF FIXED ASSETS
FOR THE YEAR ENDED 30 JUNE 2005

Expenditure 2004 R		Budget #REFI R	Balance at 30/06/04 R	Expenditure during year R	Account Adjustments R	Written off transferred Redeemed or disposed of during the year R	Balance at 30/06/05 R
2 839 298	**RATES AND GENERAL SERVICE**		36 317 693	11 865 387			48 183 080
1261 945	**Community service**		20 652 845	3 448 029			24 100 874
	Abbatoir						
3 348	Municipal Buildings		13 085 053				13 085 053
28 613	Administration		339 419				339 419
	Licenses/Traffic						
	Other						
	Public Works		4 692 687				4 692 687
	Cemetary		50 000				50 000
	Swimming pool & Community Hall		382 466				382 466
	Council General expenses		220 817	528 669			749 486
58 705	Health		77 875				77 875
	Grounds & Buildings		328 002				328 002
320 084	Strata		428 961	2 900 005			3 328 966
851 195	Sport & Recreation		1 067 585	19 355			1 086 940
9 832	**Subsidised service**		7 494 765	2 201			7 496 966
	Parks & Recreation		2 809 101				2 809 101
	Fire protection						
9 832	Library		86 825				86 825
	Municipal Buildings		529 901				529 901
	Other						
	Cemetary						
	Health		268 939	2 201			271 139
			3 800 000				3 800 000
1 667 521	**Economic service**		8 170 683	8 415 157			16 585 840
1667 521	Sanitation and Sewerage		4 879 046	8 415 157			13 294 203
	Refuse		3 291 637				3 291 037
	HOUSING SERVICE		8 184 685	2 076 064			10 260 749
	Welfare						
	Individual Housing		8 184 685	2 076 064			10 260 749
651 097	**TRADING SERVICE**		28 470 927	5 066 387			33 537 314
265 973	Electricity		6 040 311	3 520 977			9 561 288
385 124	Water		22 430 616	1 545 410			23 976 026
	Caravan Parks						
3,490,395	**TOTAL FIXED ASSETS**		72 973 308	19 007 838			91 981 143
	LESS : CAPITAL REDEEMED AND OTHER CAPITAL RECEIPTS						
3,999,614			72 414 027	19 007 838			91 421 865
422,565	Loans redeemed and advances repaid		3 677 312				3677 312
331,593	Contributions from operating income		9 241 599	550 223			9791 822
3,155,456	Grants and subsidies		57 850 308	18 457 615			76307 923
	Other		1 644 809				1 644 809
(419 219)	**NET FIXED ASSETS**		559 278	(0)			559 278

DIKGATLONG MUNICIPALITY
APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2005

Actual 2004		Actual 2005	Budget 2005
2004		R	R
	INCOME		
11 386 541	GRANTS AND SUBSIDIES	**11 197 860**	**11 400 000**
11 386 541	- Central Government	11,197,860	11,400,000
	- Provincial	-	-
	- Other grants	-	-
13 699 338	OPERATING INCOME	**16,478,350**	**13,909,793**
4 195 182	- Sale of water	4,399,761	4,257,800
3 209 613	- Sale of electricity	4,492,694	3,300,676
2 163 719	- Refuse removal	2,322,908	2,375,200
1 099 372	- Sewerage removal	535,594	970,000
240 752	- Licenses & Traffic	290,457	186,400
1 824 222	- Property Rates	2,184,577	2,260,000
93 828	- Housing income	206,344	90,000
41 095	- Interest earned	38,704	-
831 555	- Other income	2,007,311	469,717
25 085 879		27,676,210	25,309,793
	EXPENDITURE		
9 073 645	Salaries, wages and allowances	11,038,407	10,863,507
10 573 099	General expense	12,824,928	11,697,029
2 406 624	- Purchase of electricity	3,965,586	4,200,000
2 306 139	- Purchase of water	2,006,556	3,641,560
5 860 336	- Other general expenses	6,852,786	3,855,469
3 592 737	Repairs and maintenance	3,216,138	2,742,700
340 656	Capital charges	-	-
331 595	Contributions to fixed assets	550,223	-
180 611	Contributions to funds	136,817	-
24 092 343	**Gross expenditure**	27,766,513	25,303,236
	Less : Amounts charge out	-	-
24 092 343	**Net expenditure**	27,766,513	25,303,236

DIKGATLONG MUNICIPALITY
APPENDIX E
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

2004 Actual income R	2004 Actual expenditure R	2004 Surplus (deficit) R		2005 Actual income R	2005 Actual expenditure R	2005 Surplus (Deficit) R	2005 Budget Surplus / (Deficit) R
17 401 688	17 548 927	(146 239)	RATE AND GENERAL SERVICES	19 232 676	18 705 235	527 440	2 559 285
14 127 947	15 706 850	(1578 883)	Community services	15 542 610	15 173 831	368 779	3 356 881
13 512 643	4 278 903	(4276 903)	Administration - Council	13 384 687	3 771 996	9,612,691	10 705 825
21 553	8 291 716	8 221 127	Administration - CEO	1 606 340	8 245 577	(6,639,237	(5 222 661)
	83 635	(82 052)	Cemetary	17 958	6 600	11 358	(72 643)
4 504	5 607	(5 607)	IDP		172 500	(172 500)	(151 663)
240 752		4 504	Amalgamation				
245 439	58 826	181 926	Licences/Traffic	290 457	63 984	226 473	119 475
96 975	885 613	(643 174)	Municipal Building	153 756	52 618	101 138	9 800
5 900	271 718	(174 742)	Parks & Resorts	67 358	620 408	(533 050)	(466 922)
	4 473 962	(4469 062)	Work/Technical Services	1 957	1 164 281	(1162 323)	(1 181 813)
	356 900	(356 900)	Computers		1 068 760	(1068 760)	(431 650)
			Swimming Pool		7 050	(7 050)	
10 530	240 688	(230 058)	Subsidized services	11 542	276 425	(264 883)	(381 073)
10 530	240 688	(230 058)	Environment and health Fire brigade Library	11 542	276 425	(264 883)	(381 073)
3 263 091	1 602 389	1 660 702	Economic service	3 678 524	3 254 979	423 545	35 477
1 059 372	968 131	131 241	Sanitation & Sewerage	1 355 716	2 036 009	(680 293)	(711 968)
2 163 719	634 258	1 529 461	Refuse Removal	2 322 808	1 218 970	1 103 838	747 435
93 828	4 987	88 841	HOUSING SERVICE	206 344	192 243	14 101	(103 683)
93 828	4 987	88 841	Housing	206 344	192 243	14 101	(103 683)
7 590 363	6 537 430	1 052 933	TRADING SERVICE	9 098 106	9 729 950	(631 844)	(2 640 045)
3 281 139	2 959 519	321 620	Electricity	4 564 761	5 332 830	(768 069)	(1 883 969)
4 309 224	3 577 911	731 313	Water	4 533 345	4 397 120	136 225	(906 076)
25 085 879	24 092 344	993 535	TOTAL	28 537 125	28 627 429	(90 302)	5 857
		2 431 114	Appropriations for this year (Refer to note 17)			1 194 381	
		3 424 649	Net surplus / (deficit) for the year			1 104 078	
		(12 259 508)	Accumulated surplus / (deficit) beginning of the year			(8 834 850)	
		(8 834 850)	ACCUMULATED SURPLUS / (DEFICIT) END OF THE YEAR			(7 730 772)	

DIKGATLONG MUNICIPALITY
STATISTICAL INFORMATION

a) General Statistics

i) Population

2005	2004
36,947	36,947

ii) Valuation of property taxable

Date of valuation 01/08/2002

2005	2004
118,562,855	None

Valuation of property non taxable

Date of valuation 01/08/2002

2005	2004
23,067,300	None

iii) Valuation of residential property

2005	2004
68,293,494	None

Valuation of commercial property

2005	2004
50,269,361	None

iv) Number of residential properties

2005	2004
2,307	None

Number of commercial properties

2005	2004
105	None

v) Assessment rates : Cent in the Rand

2005	2004
0.017280	0.014988

vi) Number of employees

2005	2004
135	137

DIKGATLONG MUNICIPALITY
b) Electricity Statistics

i) Number of users

2005	2004
638	None

ii) Units bought

2005	2004
12,504,976	None

iii) Units sold

2005		2004	
8,125,808	C	None	C
2,489,172	Pre	None	Pre

iv) Units lost in distribution

2005	2004
1,889,996	None

v) Units lost percentage of (ii)

2005	2004
15.11%	None

vi) Cost per unit bought

2005	2004
0.2212	None

vii) Loss in distribution

2005	2004
418,142	None

viii) Cost per unit sold

2005		2004	
0.4300	(R)	None	(R)
0.6000	(B)	None	(B)
0.5400	Pre	None	Pre
0.4000	Bulk	None	Bulk
0.3000	-	None	-

DIKGATLONG MUNICIPALITY
c) Water Statistics

i) Number of users

2005	2004
5,899	None

ii) Units bought

2005	2004
1,251,616	None

iii) Units sold

2005	2004
1,001,293	None

iv) Units lost in distribution

2005	2004
250,323	None

v) Units lost percentage of (ii)

2005	2004
20%	None

vi) Cost per unit bought

2005	2004
1.4100	None

vii) Loss in distribution

2005	2004
352,956	None

viii) Cost per unit sold

2005		2004	
3.10	(R)	None	(R)
3.50	(R)	None	(R)
4.10	(R)	None	(R)
3.50	(B)	None	(B)
4.00	(B)	None	(B)
None	Pre	None	Pre
	Pre	None	Pre
None	Pre	None	Pre